



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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News Conference Statement of U.S. Sen. Chuck Grassley, of Iowa
Chairman – Senate Committee on Finance
Bipartisan Agreement on Prescription Drugs
Thursday, June 5, 2003

I'm glad to be here today, standing beside Sen. Baucus to announce a bipartisan agreement on prescription drugs and improving Medicare. This is truly a landmark moment for senior citizens. Our agreement gets us one important step closer toward making drug coverage a permanent part of Medicare.

The Finance Committee will mark up our joint bill one week from today. The Majority Leader is committed to passing Medicare improvement legislation, on a bipartisan basis, off the Senate floor by July 4th. We both are committed to keeping this process bipartisan from start to finish. We all know seniors don't want politics; they want prescription drugs.

Our agreement adds a comprehensive prescription drug benefit for all seniors in Medicare. The benefit is equal for everyone, both in traditional Medicare and in the enhanced Medicare we're setting up. Let me be clear: seniors in all areas of the country, urban and rural, will have comprehensive coverage through traditional Medicare.

Enhanced Medicare – what we're calling "Medicare Advantage" – will create new coordinated, integrated PPO plans, just like the Federal Employees Plan has today. Drug benefits will be affordable for all beneficiaries, regardless of which option they choose. For \$35 per month starting in 2006, seniors will be able to get comprehensive drug coverage, including both up-front and catastrophic protection. Low income seniors will get extra protection. And all seniors, starting next year, will get a prescription drug discount card that will save them between 15 and 25 percent on drugs.

Our agreement takes steps to secure the rural health safety net, by increasing reimbursements to struggling doctors and hospitals that serve seniors in states like Iowa and Montana. These policies will be paid for with other program changes, not our reserve fund resources. Sen. Baucus and I also started these negotiations knowing that whatever we did on prescription drugs had to work in all areas of the country, and our plan does that.

Still, our bipartisan agreement won't be all things to all people. Sen. Baucus and I have worked hard to strike the right balance, keeping our total spending under \$400 billion and building on the good work of other committee members, including Sens. Breaux, Frist, Snowe, Jeffords and Hatch. I also want to credit the contributions of other committee Republicans, with whom I've been meeting on specifics since January, as well as those off the committee who have provided good policy guidance to get us to where we are today.

Some will say \$400 billion is not enough. I say it's not how much you spend, but how you spend it. Sen. Baucus and I have worked hard to spend our resources wisely, making sure that the seniors, the taxpayers, and doctors and hospitals are treated fairly and equitably. Our agreement does all three. I look forward to releasing our joint mark on Tuesday, and to the committee's consideration of the bipartisan bill on Thursday.